



Wolli Creek | EIA Addendum

FINAL REPORT

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PREPARED FOR NAHAS Constructions

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1 Introduction

This Economic Impact Assessment was commissioned by NAHAS Constructions and has been prepared on instruction by a representative of this company. The report has been prepared to serve as an addendum to a previous assessment undertaken for the client's site, at 78-96 Arncliffe Street, Wolli Creek. This previous report was entitled *Wolli Creek Retail Sustainability Assessment* dated October 2007.

Previously, NAHAS construction has submitted an application through Part 3A of the Environmental Assessment and Planning Act 1973 with the NSW Department of Planning in order to obtain development approval at the subject site to provide 45,000m² of residential and serviced apartments as well as 25,000m² of retail floor space.

NAHAS construction has proposed a staged approach to the development. Providing economic activity in the short term is very important, as some of the effects of the economic downturn may still persist through into unemployment and other sectors of economy, lagging the initial consumer driven effects. The staged approach will provide retail services to the current catchment which are otherwise lacking and to provide employment and economic multiplier opportunities in the short term.

This report assesses the suitability of the Stage 1 and Concept plan developments proposed by NAHAS Constructions by:

- Activating the area between the train station and proposed centres
- Providing retail services to residents within Wolli Creek, an area which is currently underprovided and demonstrating some of the negative impacts of the current lack of these services.
- Stimulating development and investment in the Wolli Creek area which may induce further developments and residential tenants to move to the centre.
- Demonstrating the end-goal of the 78-96 Arncliffe Street development is to provide retail with a sub-regional catchment focus versus a more localised role for the Discovery Point Centre
- Demonstrate the impacts upon the Discovery Point Centre are likely to be minimal.
- Demonstrate some of the positive benefits of the Stage 1 and Concept Plan of the development.

This assessment is not intended to model retail turnover impacts on any existing or proposed retail developments within the trade catchment but is intended to demonstrate the suitability of the proposal and the net benefits that may arise from the project.



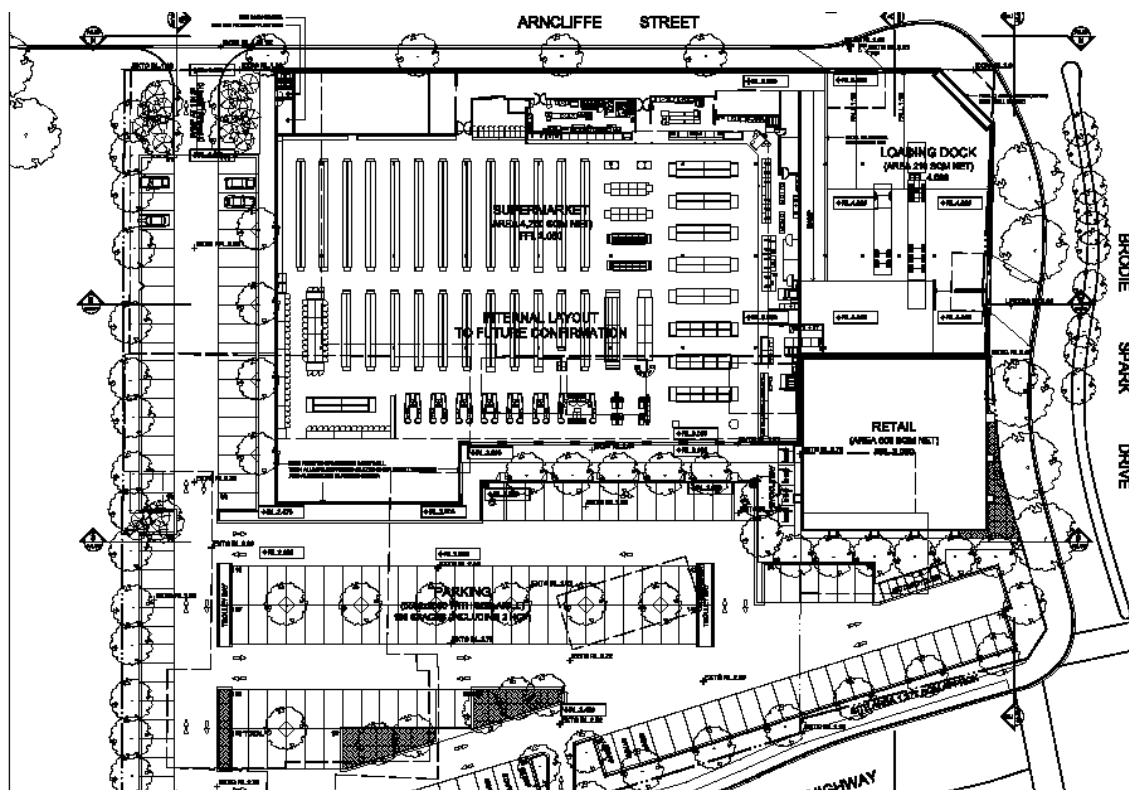
1.1 Stage 1 and Proposed Concept Plan

As previously mentioned, the full proposed development is intended to deliver some 45,000m² of residential development and 25,000m² of retail. The residential development is to be delivered in three towers of 22, 16 and 8 levels. Stage 1 and Concept Plan are intended to deliver the full-line supermarket (4,200m²) and associated liquor store (600m²).

The proposed components of Stage 1 are intended to be delivered as per their configuration in the initial Major Project Application and will allow the intended project to be delivered as per originally planned.

The proposed site plans are provided below:

Figure 1. Proposed Stage 1 – Arncliffe Street, Wolli Creek



Source: Marchese & Partners

1.2 Discovery Point

According to Landcom, the Discovery Point project is situated on an adjacent 7.8 hectare site to the subject site and will link Arncliffe to the Cooks River and environs. The total project is expected to deliver up to 1,100 apartments and around 55,000m² of retail and commercial space.

Cordell Connect (23/9/09) Rockdale City Council has granted development approval for Discovery Point – Site 3 (DA 2005/262). This entails a total development floor area of 21,320m², over 16 floors, covering a site area of 1 hectare.

- 2 x 14 storey residential flats containing 224 apartments (112 in each tower)
- 7,600m² of commercial and retail development



- Ground to contain 6 specialty stores and a restaurant including supermarket and commercial arcade
- First Floor contains non-residential tenancies, child care centre and residents facilities (ie. pool, gym, etc)

According to Cordell Connect based upon the submitted DA, the project is due for commencement in mid-October 2009 and due for completion in mid-October 2011. Landcom is the facilitator and landowner of the site, while Australand are the developer.

Based upon anecdotal evidence supported by an assessment of works progressed at the site, it is more than likely that construction upon the DA for Discover Point – Site 3 will not occur until at least the end of 2010.



2 Economic Impact Assessment

2.1 Activation

The proposed Stage 1 of the development will encourage precinct development and activity and will afford activation around the Wolli Creek train station. Furthermore, the proposed development will interact with any development proposed at the Landcom site in that it will attract activity to the area and encourage interaction between the Landcom site, Arncliffe Street site and the Wolli Creek train station. Encouraging a mix of uses (and activity) around the public transport node will have the effect of increasing the effectiveness and efficiency of the public transport as it provides increased likelihood of multi-purpose trips.

2.2 Supply Network

Since 2007, the supply network in which the proposed development will operate has not changed significantly. The two major competitors are the:

- Westfield Hurstville (58,738m² major regional)
- Rockdale Plaza (21,130m² sub-regional)

Both centres are about 3km from the proposed development. Westfield Hurstville would draw from a broad catchment given its role as a major regional shopping centre and its Myer anchor. The proposed development, when fully completed would perform a similar role and function as Rockdale Plaza and will fill the market gap for sub-regional facilities that exists for residents located between Rockdale and Marrickville Metro.

There are no major supermarket anchored centres located between these centres, therefore at present the residents of Wolli Creek, Arncliffe and surrounds are not provided with convenience retail options. The proposed Stage 1 of this development will provide these services for this population and will be integral to the success of both the whole Wolli Creek mixed use development and the Landcom Discovery Point project.

Provision of both the proposed Stage 1, full-line supermarket and liquor store as well as the supermarket based retail development that forms part of the Discovery Point – Site 3 will be appropriate to serve both the existing resident base and will form an appropriate foundation for the next stages of both projects. Retail is an integral component in driving residential and commercial development.

2.3 Impacts On Discovery Point

In March of 2009, the NSW Department of Planning released the Draft Retail and Commercial Centres Policy. This Policy was intended to provide more flexibility in the planning system and to allow market demand to drive development and essentially speed up the planning approval process. It is noted that this document was released as a consultative draft and is not actual policy however the key tenets of the policy are to:

- To encourage retail and commercial development within existing centres
- If this is not necessarily possible (ie. sites are unavailable) allow this type of development at the edge of centres; and lastly



- To allow out of centre development if a Net Benefit test is met.

Essentially, the draft policy aims to encourage job creation, increased competition leading to lower prices for the consumer, retail provision closer to residents and diversity of retail options.

The proposed Stage 1 of the development is consistent with the Draft Centres Policy. In a metropolitan region, the turnover impacts upon existing or proposed centres should not form part of the planning process, these are competition matters and the ACCC states that increased competition is proven to result in price benefits for the consumer.

Once complete, the whole Wolli Creek retail component will perform a different role to the retail and commercial to be provided as part of the Discovery Point project. The Wolli Creek development will perform a sub-regional role in the retail hierarchy as it will provide a wider range of higher order retail options than the Discovery Point – Site 3 development. Effectively, the sub-regional centre will service a broad catchment stretching out towards Marrickville in the north-east, Dulwich Hill to the north, Campsie to the west and towards Bexley and Rockdale in the south.

The proposed retail at the Discovery Point Centre will perform a more localised role, servicing new residents to the locality in the new developments and existing residents in the immediate catchment.

The fully developed sub-regional centre will actually assist in the functionality of the localised retail node at Discovery Point as there will customer spin-off attracted to the area from the broader retail offering. At the same time, the Stage 1 supermarket and liquor store is unlikely to delay the delivery of any retail at the proposed Discovery Point Centre. If anything it will increase the attractiveness of the whole Wolli Creek precinct as a retail destination as there will be two different retailers operating supermarket based centres in the location. This will provide competition and diversity to the retail mix which will benefit and attract consumers.

2.4 Development Catalyst

Proximity to retail options is an important factor for many residents moving to a particular location as well as an integral component of a successful mixed use employment node. Allowing Stage 1 of the Wolli Creek development is likely to provide impetus for tenant interest and therefore more rapid development, more rapid employment generation and significant economic multiplier activity for the Rockdale LGA and the broader economy.

The whole Wolli Creek precinct should be considered together as a whole precinct and the separate sub-entities (ie. each individual development project) should not be considered to impact upon the speed of delivery of other components. In fact, the development of particular components will aid the delivery of the whole precinct.

2.5 Job Creation

The entire \$260 million mixed used development at Wolli Creek has the potential to provide about 800 direct construction job years, 1,065 indirect jobs years through the construction phase and support at least 1,000 ongoing jobs in the retail component alone and jobs through the supply chain and management associated with retail shopping centres.

If part of this development is brought forward and delivered in Stage 1 at least 200 of the directly supportable retail jobs could be accommodated at the development. Furthermore, the construction phase of the project could instantly create 144 direct construction job years and 192 indirect job years.



These significant job additions should be considered in light of the current economic climate. While the most apparent effects of the economic downturn have been experienced, unemployment generally lags downturns and the full employment impacts will continue to filter through the broader economy. Projects that deliver positive community benefits and stimulate further development and create direct and long term jobs, such as the Stage 1 development should be considered as integral to driving the NSW economy out of the downturn and into the future.

2.6 Other Net Benefits

The other associated benefits with delivering the Stage 1 of the proposed development include:

- Maximisation of public transport infrastructure of public transport infrastructure by creating critical mass of activity anchoring the Wolli Creek train station
- Building density around public transport, which is a key prerogative of the NSW Department of Planning's Sydney Metro Strategy.
- Retail is a key component of activity centres. The proposed Stage 1 will create an activity generator that can be built upon. Not only will this generator encourage walkability throughout the whole centre but will improve the functionality of the precinct. Furthermore, it will act as a development catalyst for the further provision of housing, employment, cultural and entrainment facilities in Wolli Creek.
- Increased competition between retailers with the town centre which will lead to savings for households.
- Wider choice of higher order retail options for the household will mean less travelling is required to travel for higher order comparison shopping and there is an increased likelihood of obtaining best prices as a result.
- Reduced car-trip generation and distances will result in environmental (reduced emissions) and safety improvements (reduced risks of accidents).

2.7 Conclusions

Overall, the whole Wolli Creek development will form part of a vibrant, activated and fully functional activity centre at Wolli Creek. The provision of high density mixed use development around the relatively new Wolli Creek train station is important in maximising the infrastructure investment of this node.

The proposed Stage 1 will provide much needed retail services for the surrounding population which currently has to travel to Rockdale or Marrickville to access full-line retail services. The provision of supermarket floor space is likely to stimulate further residential and commercial development and is likely to complement the retail proposed for the Landcom Discovery Point development. The provision of two competing retail centres will create diversity and competition within the precinct which will be beneficial to local residents (ie. the consumer).

The proposed Stage 1 will create other positive community impacts such as increased activation around the train station, precinct walkability, increased household savings, reduced travel times and car trips and environmental savings.



Stage 1 of the proposed Wolli Creek development will create significant amounts of immediate jobs through the construction phase of the project as well as create more than 200 directly supportable, on-going jobs alone. Projects that deliver positive community benefits and stimulate further development and create direct and long term jobs, such as the Stage 1 development should be considered as integral to driving the NSW economy out of the downturn and into the future.

MacroPlan consider the proposed Stage 1 of the proposed development will result in significant positive community benefits and represents economic and orderly development.